

**MSATP SB 416.pdf**

Uploaded by: Giavante Hawkins

Position: FAV



10630 Little Patuxent Parkway  
Suite 146  
Columbia, MD 21044  
1-800-922-9672  
410-876-5998  
FAX 443-881-4146  
www.msatp.org

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To: Budget and Taxation Committee

From: The Maryland Society of Accounting and Tax Professionals, Inc.

Re: SB 416 Sponsor: Senators Salling, Jackson, Klausmeier, Mautz, West, Corderman, Gallion, Ready, Jennings, Carozza, Hershey, and Bailey

Contact Person: Giavante Hawkins, Executive Director

Position: SUPPORT

Income Tax – Subtraction Modification – Military Retirement Income

The Maryland Society of Accounting and Tax Professionals, Inc. (MSATP), representing the voices of over 2,000 tax and accounting professional members, supports this bill. As tax and accounting professionals serving over 700,000 Maryland residents, we are pleased to be able to provide tax and accounting services to our retired veterans.

When one chooses a military career, it is done at great personal sacrifice for their families and loved ones. Due to the combined exposure to dangerous situations and the strain on the family of constantly moving, the exclusion of 50% and then 100% of military pension from Maryland taxable income is a just reward for these heroes returning and remaining in Maryland.

MSATP supports SB 416 and asks for a favorable report from this committee.

# Senator Written Testimony.pdf

Uploaded by: johnny salling

Position: FAV

Dear Chair, Vice Chair, and Committee Members. For the record, I am Senator Johnny Ray Salling. Thank you for allowing me to speak today on behalf of this bill

The past three years have had a dramatic impact on every area of our lives. One area that has been negatively impacted is the area relating to the cost of construction materials. Contractors who had agreements with our State have been put in very serious financial straits by having the cost of their materials skyrocket overnight. In some situations, contractors are doing the job for no profit because they have had to cover the cost of increase material prices. This bill would work to provide and allow for contractors to petition to be reimbursed for the increased cost for materials when the prices dramatically rise, such as in the case of recent inflation.

While we have seen some prices start to go back down, we continue to have supply chain issues, and there is no guarantee the prices will not skyrocket again. This bill will work to allow construction contracts with the State to have a clause that provides for a way to work around the fact that there is a dramatic price increase due to events beyond a contractor's control. It allows for a request to be made to adjust the contract because of increased material cost.

The definition of what is a substantial price increase is left up the department to allow for flexibility. This bill also has precedence in that there are similar allowances at the Federal level.

I think this bill will go a long way in helping our contractors get back on track and also prevent future issues of unexpected price increases from adversely impacting our contractors. I ask for a favorable report on this bill.

# **SB416\_2023\_Salling\_Retirement Exemption.pdf**

Uploaded by: Patrick Guibao

Position: FAV



# THE AMERICAN LEGION

Department of Maryland  
Legislative Committee

February 27, 2023

Chairman Guzzone, Vice Chairman Rosapepe and distinguished members of the Senate Budget and Taxation Committee,

The American Legion Department of Maryland and the six branches of the Fleet Reserve Association here strongly believe Senate Bill 416 is an essential measure for those persons who have made a career in the armed forces serving our nation.

Not only do we honor these individuals through passage of this measure, but SB 416 can help stem the exodus from Maryland to such neighboring states as Pennsylvania, West Virginia and North Carolina who along with other states in the U.S. have enacted legislation exempting taxes on military retirement income.

By passing this bill and enabling service retirees to remain in Maryland other taxes on income and sales taxation on the purchasing of housing, automobiles along with the family necessities purchases will be generated.

More importantly, SB 416 does not establish an age limit as previous proposal have done. Some retirees have left military service after a 20-year career at age 38 or more. This is an immediate gain for these warriors and for employment here.

In closing, our veteran service organizations numbering over 142,000 throughout our State strongly endorse Senate Bill 416 and respectfully request a favorable report. We are deeply grateful to Senator Salling and the co-sponsors for their respect to the veteran community.

Most respectfully,

*Patrick Guibao*

Patrick J. Guibao  
Legislative Director for  
The American Legion Department of Maryland  
The Fleet Reserve Association in Maryland

